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Annual Report

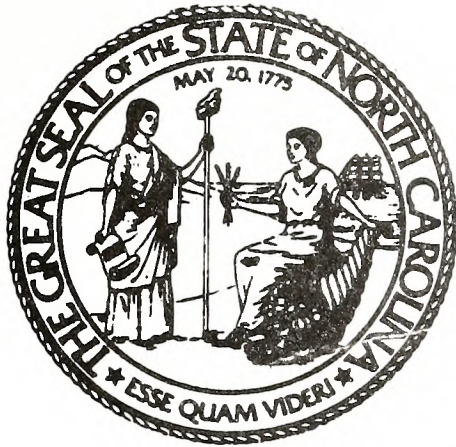


July 1, 1972 - June 30, 1973

As required by the Executive
Organization Act of 1971

Department of Labor

Annual Report



July 1, 1972 - June 30, 1973

As required by the Executive
Organization Act of 1971

Department of Labor



C. CREEL
MISSIONER

State of North Carolina
Department of Labor
Raleigh 27602

C331
N87L
1972/73

August, 1973

The Honorable James E. Holshouser, Jr.
Governor of North Carolina
and members of the
Advisory Budget Commission
Raleigh, North Carolina

Dear Governor Holshouser:

I have the honor and pleasure of submitting to you herewith a report of the work of the Department of Labor covering the fiscal year from July 1, 1972, through June 30, 1973.

In transmitting this Annual Report to you and to the members of the Advisory Budget Commission, I wish to acknowledge the excellent work and fine cooperation of the Department's program heads and other employees. Their painstaking interest and work have made possible the accomplishments and services to the people of North Carolina which are summarized in this Report.

Respectfully,

W. C. Creel

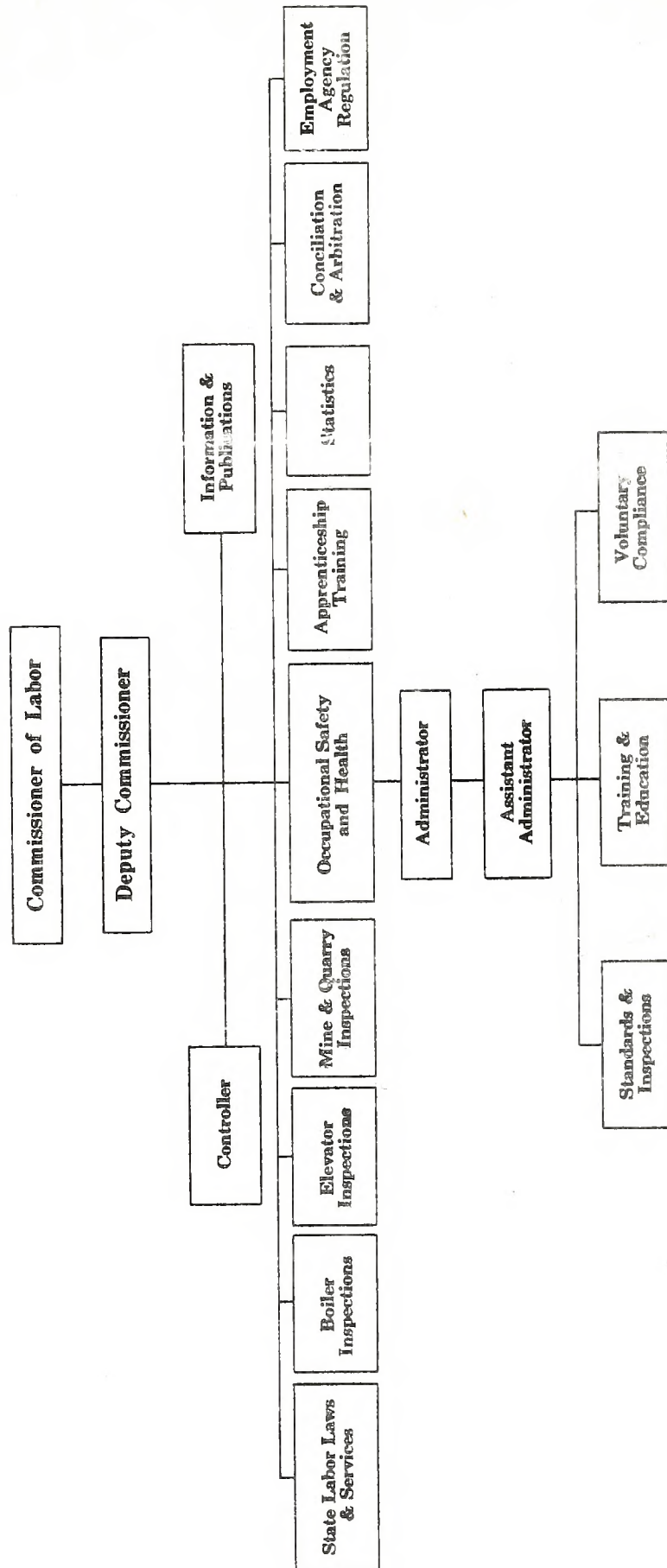
W. C. Creel
Commissioner

pg 1961

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**ORGANIZATION CHART
NORTH CAROLINA DEPARTMENT OF LABOR**



DEPARTMENT OF LABOR

W. C. Creel, Commissioner

ANNUAL REPORT

July 1, 1972 — June 30, 1973

PART I: MISSION AND ORGANIZATION

The Department of Labor, under direction of the Commissioner of Labor, is charged by statute with the responsibility of promoting the "health, safety and general well-being" of the industrial population of the State. The General Statutes of North Carolina provide the Commissioner with broad regulatory and enforcement powers with which to implement that objective.

The Department's duties are discharged through the work of ten principal divisions. These include:

1. Administration. This division encompasses the offices of the Commissioner, the Deputy Commissioner, the Controller, and the Information and Publications office.
2. State Labor Laws and Services. This division enforces the three principal Labor Laws of North Carolina, the Minimum Wage Law, the Maximum Hour Law, and the Child Labor Law, and is in charge of the Department's safety awards program under which awards are given annually for outstanding work in accident prevention in industry.
3. Boiler Inspections. This division inspects and licenses for operation all boilers and pressure vessels subject to the North Carolina Boiler Law.
4. Elevator Inspections. This division inspects for safety all elevator, escalators, dumbwaiters, and a wide variety of other special equipment and amusement riding devices operated in the State, and approves plans and specifications for same.
5. Mine and Quarry Inspections. This division inspects for safety and health all mining and quarrying operations in North Carolina and promotes compliance with the laws governing these industries.

6. Occupational Safety and Health. This division administers the Occupational Safety and Health Act of North Carolina (OSHA-NC) and coordinates a wide-ranging program of inspections, education and training, and consultative services applying to virtually all employment in the State.

7. Apprenticeship Training. This division supervises and coordinates a statewide program of apprenticeship and on-the-job training in the skilled trades.

8. Statistics and Research. This division compiles monthly data on employment, hours and earnings in North Carolina's nonfarm industries and on building construction in cities of more than 10,000 population.

9. Conciliation and Arbitration. This division mediates labor-management disputes and coordinates a program under which such disputes may be settled through voluntary arbitration.

10. Private Employment Agency Regulation. This division supervises, inspects, regulates and licenses all private employment agencies operating in North Carolina.

1973 Legislation

The 1973 General Assembly enacted more new legislation, and extensively amended more existing Labor Laws, than any other legislature of the last forty years. Not since the early 1930's has any General Assembly passed more beneficial laws affecting the Department of Labor and the more than two million working people of North Carolina.

Foremost among the 1973 laws enacted which affect labor and industry was the Occupational Safety and Health Act of North Carolina. Only three other states in the nation had enacted comparable legislation at the time of ratification of this State Act. Passage of this important, 50-page bill placed North Carolina in the forefront of states which intend to actively promote and administer their own industrial safety and health laws and programs, rather than abdicate their responsibilities in this major social area to the Federal Government. The General Assembly of North Carolina, and the many concerned people who endorsed and supported our legislators in this endeavor, are to be commended for their wisdom and foresight in enacting this milestone legislation.

The Occupational Safety and Health Act of North Carolina, which became effective on July 1, 1973, is the culmination of nearly two years of cooperative work and intensive planning between the North Carolina Department of Labor and the national OSHA Administration. Patterned closely after the Federal law enacted by Congress late in 1970, the State OSHA Law establishes safety and health standards "equally as effective" as those used under the Federal law, and provides for permanent administration and enforcement of these standards by the North Carolina Department of Labor.

The OSHA-NC draft bill had been in the hands of our legislators since December, 1972, and was closely scrutinized by Senate and House committees, aired and debated in public hearings, and thoroughly studied by the appropriations committees. Final enactment of the law in late April, 1973, came when the Senate gave the measure a unanimous, 48-0 vote of approval and the House passed the bill by an overwhelming majority voice vote.

The stated purpose of the OSHA-NC Law is "to assure so far as possible every working man and woman in the State of North Carolina safe and healthful working conditions and to preserve our human resources."

The Act reaffirms and strengthens the North Carolina Department of Labor's authority to prescribe safety and health standards, inspect workplaces, and promote safe and healthful working conditions. It spells out the rights and obligations of employers and employees, establishes penalties for failure to provide safe and healthful working conditions, and sets up procedures for independent review of administrative actions.

The Act provides for a three-member Safety and Health Review Board, to be appointed by the Governor. This Board will act independently of the Department of Labor. Employers, or their representatives, may appear before this Board should disagreement arise as to any penalty assessed for alleged failure to observe the Act's safety and health requirements.

The Act also establishes a State Advisory Council of seven members to be appointed by the Commissioner of Labor, to advise and consult with the Commissioner on administration of the Act. This Advisory Council will be composed of two representatives of management, two from organized labor, and three public representatives.

The OSHA-NC Act, effective July 1, 1973, will be financed with State and Federal matching funds on a 50-50 basis, under an agreement between the N. C. and U. S. Departments of Labor.

Administration of the OSHA-NC Act by the North Carolina Department of Labor will be monitored closely for three years by the national OSHA Administration, following which the agreement for State administration of OSHA standards will be made permanent.

In addition to the enactment of the OSHA-NC Law, the 1973 General Assembly enacted important changes in three of North Carolina's basic Labor Laws. The Minimum Wage, Maximum Hour, and Child Labor statutes were all substantially amended, and for the first time an overtime pay requirement was established for covered employees. These Labor Law changes, and their effective dates, are as follows:

Maximum Working Hours for Adults. Starting July 1, 1973, employers of four or more employees in any one place of business are governed by maximum working hours of 10 hours per day, 56 hours per week, and 12 days in any period of 14 consecutive days. These maximum hours apply equally to men and women employees.

This section of the law (G.S. 95-17) has been changed so that several types of employees who formerly were exempt from maximum hours requirements are now covered. These include employees in motion picture theatres, hotels, male clerks in mercantile establishments, and auto mechanics working on a commission basis or on a combination of salary and commission, provided the establishment in which they are working is not covered by, or in compliance with, the federal Fair Labor Standards Act.

Several sections of the Maximum Hour Law were repealed or deleted from the statute, either to eliminate discriminatory provisions based upon the sex of the employee, or to remove requirements no longer relevant to current conditions in business and industry.

For example, businesses are no longer required to furnish seats for the use of female employees. Businesses may no longer apply to the Commissioner of Labor for special permission to work employees 60 hours per week in 'emergency' situations. Various other minor technical changes were made in the law.

The main exemption for maximum hours coverage still remains in the statute. Employees 18 years of age and over whose employment is "covered by, or in compliance with, the federal Fair Labor Standards Act," are still exempt from the daily and weekly hours provisions of the Maximum Hour Law. In actual effect, this means that the law has an impact only upon businesses not covered by the federal law.

If any business pays the currently applicable federal minimum wage, and pays time and a half for overtime worked after 40 hours per week in cases where the federal overtime provision applies, it does not have to limit employee working time to 10 hours per day, 56 hours per week, and 12 days in any period of 14 consecutive days. This provision of the statute automatically eliminates approximately 1,100,000 North Carolina employees from coverage by the Maximum Hour Law.

State Overtime Requirement. A new section (G. S. 95-17.1) added to the Maximum Hour Law, also effective on July 1, 1973, requires that covered employees be paid time and a half their regular rate of pay for hours worked in excess of 50 hours in any one week.

This overtime provision applies to establishments having four or more employees and which are not exempt by virtue of being "covered by or in compliance with" the Fair Labor Standards Act, or otherwise specifically exempt from the Maximum Hour Law. Principal impact of this overtime pay requirement will be upon retail and service establishments having four or more employees but not covered by the federal law because they are doing less than \$250,000 gross annual volume of business.

\$1.80 State Minimum Wage. Approximately 50,000 of North Carolina's lowest paid employees will be directly affected by the increase in the North Carolina minimum wage from \$1.60 per hour to \$1.80 per hour on September 2, 1973.

The General Assembly made no other changes in the Minimum Wage Law. All of the former exemptions will remain in effect and coverage of the law is still the same. Most of the 50,000 employees who will benefit from the \$1.80 minimum are employed by relatively small or medium sized retail and service businesses, although a number of them also work in some of the lower-wage type of manufacturing establishments.

Child Labor Certification. Effective October 1, 1973, minors (under 18 years of age) will no longer have to obtain a new employment certificate from their county Department of Social Services each time they change from one job to another.

The new certification requirement makes the minor's original employment certificate good for the job described in the "promise of employment" and for any and all subsequent employment.

Hazardous occupations, prohibited for minors by the State Child Labor Law or by the child labor provisions of the federal Fair Labor Standards Act, are still prohibited and will be indicated as being prohibited on the minor's employment certificate.

The new law also makes the minor responsible for obtaining the employment certificate. This responsibility formerly was that of the minor's employer or parent.

Upon the first day of employment, the minor must surrender the employment certificate to his or her new employer. The employer must keep the certificate available for inspection at any time by the Department of Labor. The employer, upon termination of the employment, must immediately return the employment certificate to the minor.

Minors Working in Beer & Wine Places. A further amendment to the Child Labor Law permits minors between 16 and 18 years of age to work in Grade A restaurants holding malt beverage, wine, spirituous liquor, or other permits issued by the State ABC Board, but does not permit minors to serve or dispense such beverages in establishments holding "on premises" permits.

Organizational Changes

Enactment of the Occupational Safety and Health Act of North Carolina, and preparations for its administration by the N. C. Department of Labor, have made necessary a considerable revision in the organizational structure of the Department. Several functions which hitherto have been performed under the old "Division of Standards and Inspections" have been absorbed into the new OSHA administrative setup. Although these changes did not become official until July 1, 1973, the effective date of the OSHA-NC Act, they were in preparation during the latter half of the fiscal year 1972-73. These changes are illustrated in the accompanying organizational charts, the first of which indicates the organizational setup of the Department of Labor as of July 1, 1973, and the second of which sets forth a more detailed picture of the OSHA-NC division of the Department.

Two inspectional functions, formerly carried out by the "Bureau of General Inspections" and the "Bureau of Construction Safety Inspections," are now absorbed entirely into the OSHA-NC division.

The more specialized safety inspection services dealing with boilers, elevators, and mines and quarries, which formerly were "Bureaus" operating within the framework of the old "Division of Standards and Inspections," are now ranked as separate and distinct divisions of the Department.

The function of inspections and enforcement of the State Labor Laws dealing with minimum wages, child labor, and maximum hours, is now ranked as a separate division called "State Labor Laws and Services."

Within the Administrative Division, the former "Office Administration and Budget Accounts" function is now called the Controller's office, and the former "Information Service" function is now designated as "Information and Publications."

A new unit dealing exclusively with OSHA-NC statistical matters has been set up within the Statistics and Research division.

The foregoing are the principal changes in the Department's organizational structure which were developed during the year 1972-73 and under which the Department is operating during 1973-74.

Management Methods

Extensive changes in management methods were introduced in the Department of Labor during the last half of fiscal 1972-73 towards the end of improving communications within the Department and making the Department into a more modern and efficient instrument of State Government.

One of the most important and promising of these has been the holding of regular staff conferences in the Commissioner's office, in which each of the Department's program heads is given full opportunity to provide input into the Department's planning, budgetary, and policy-making processes. While this procedure may appear to be one which a present-day agency administrator would take completely for granted, it represents an innovation in the North Carolina Department of Labor, in which hitherto this method of communication has been nonexistent. These staff conferences, in which practically everything of importance concerning the operation of the Department is discussed thoroughly, and about which each program head is invited to have his say, have been welcomed by the division heads with enthusiastic interest and participation. Continuation of this method of intra-office communications promises to give the Department's administrative and supervisory staff a much augmented sense of "belonging" and a new sense of professional cohesiveness.

The Department's budgetary procedures are being reorganized along thoroughly modern lines in the Controller's office, in such a way as to provide acceptable accounting procedures required for the Department's participation in Federal matching funds programs.

Efforts have been started which will change our Apprenticeship Training and Statistical divisions into more effective and up-to-date instruments of a reactivated agency of State government.

Intensive work is being done in the Department's Information and Publications office, and by the offices of the Commissioner, Deputy Commissioner, and OSHA-NC Administrator, to project an improved public image of the Department of Labor with regard to the Department's obligation to be thoroughly concerned and responsive to the public need.

Problem Areas and Unmet Needs

1. Elevator Inspection Division. Recent years have brought a tremendous expansion in the duties and responsibilities of the Elevator Inspection Division but little in the way of additional personnel and appropriations with which to discharge these added responsibilities. In addition to regular inspection of elevators, escalators, dumbwaiters, and approval of plans and specifications for new installations, the Elevator Division now is responsible for the safety of all moving amusement devices used in carnivals at county and State fairs over the State, and for the safety of all moving walks, ski lifts, cable cars, and aerial passenger tramways. These latter duties have come to occupy so large an amount of the available time that regular inspection and tests of elevators are far behind schedule. This situation can be corrected by nothing less than substantial increases in personnel and operating funds. Requests for funds and personnel to meet this pressing need will be found in the 1974-75 Budget Requests of the Department of Labor.

2. Boiler Inspection Division. Much the same situation exists with regard to the safety inspection and certification of boilers and other pressure vessels throughout the State. There is no possibility of our Boiler Division overcoming its large inspection backlog without substantial increases in staff and operating funds. Our requests for increases in this division should be given priority second to none, due to the magnitude of the hazards and danger to the public safety which ensues when boilers and pressure vessels are not properly maintained. The increase in the number of units requiring inspection and certification has been very large during the past several years, and the complexity of many new units using technical innovations and nuclear power sources requires much additional study, training, and inspection time on the part of our Boiler Inspectors.

3. Mine & Quarry Inspection Division. Enactment of the Occupational Safety and Health Act of North Carolina by the 1973 General Assembly, applying to industrial establishments but not to mines, quarries and the minerals industry, clearly points to the need for similar State legislation which could afford similar protection for the workers in this industry. The agreement which the North Carolina Department of Labor has signed with the U. S. Department of Labor under the provisions of the Occupational Safety and Health Act of 1970 makes it highly desirable that a similar agreement be sought and concluded with the U. S. Department of the Interior as provided in the Federal Metal and Nonmetallic Mine Safety Act. Enabling legislation and a general upgrading of the standards, enforcement provisions, and personnel of the Mine and Quarry Inspection Division will be necessary before such an agreement can be reached and adequate protection provided for workers in North Carolina's minerals industry. A draft bill and budget which would accomplish this has been prepared for submission to the next session of the General Assembly.

4. Statistics and Research. There are five North Carolina counties which in recent years have become urbanized to the extent that they meet the Federal criteria for being designated as "Standard Metropolitan Statistical Areas." These include New Hanover, Cumberland, Durham, Gaston, and Buncombe counties. At the present time, the Statistical Division each month processes data from two such areas (the Charlotte Area and the Greensboro-Winston-Salem-High Point Area) and comes up with complete area statistics on employment, hours and earnings from these two areas only. Present personnel and facilities of the Division are inadequate for processing data from the five additional SMSA's named above. Substantial expansion of the Division's personnel and data processing facilities will be necessary if this valuable area information is to be developed in the near future. Frequent inquiries and requests for this area information are received from the news media and the Chambers of Commerce in the five areas involved.

The remainder of this Report will consist of more detailed expositions of the various programs of the Department of Labor and the progress made and problems encountered in each of them during the fiscal year 1972-73.

PART II: DEPARTMENTAL PROGRAMS

ADMINISTRATION

REPORT OF EXPENDITURES - DEPARTMENT OF LABOR
1972-1973

REVENUE:

Appropriation-Chapter 708, P. L. 1971	\$1,268,804.00
Sale of Property	950.16
Employee on Loan	263.49
Statistical Services (OSHA)	18,896.08
Statistical Services (OSHA)	18,866.47
Standards and Inspections (OSHA)	170,138.28
Standards and Inspections (OSHA)	34,171.57
Veterans Administration	126,950.42
Boiler Bureau Receipts	189,501.37
Sale of Directories	7.00
Health Benefits	896.48
	<hr/>
	\$1,829,445.32

REFUNDS:

Refund of Expenditures	\$ 39,551.22	\$1,868,996.54
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EXPENDITURES:

Expenditures	\$1,719,740.27	
Refund of Expenditures	39,551.22	\$1,759,291.49
Unexpended Balance Reverted to General Fund		109,705.05

PURPOSES:

Administration	\$ 120,841.51
Employment for the Deaf	10,998.00
Statistical Division	50,121.44
Data Processing Operation	31,063.79
Statistical Services (OSHA)	19,112.28
Statistical Services (OSHA)	40,739.26
Standards and Inspections	772,864.48
Standards and Inspections (OSHA)	81,495.90
Standards and Inspections	5,128.93
Apprenticeship Training	247,616.28
Conciliation Services	46,280.70
Arbitration Panel	292.20
Boiler Bureau	220,358.50
Reserves and Transfers	72,827.00

\$1,719,740.27

OBJECT:

Salaries and Wages	\$1,131,433.55
Supplies and Materials	15,397.42
Communications	30,703.85
Travel Expense	175,245.04
Printing and Binding	10,777.34
Repairs and Alterations	1,143.31
General Expense	67,930.96
Retirement Contributions	100,752.25
Social Security Contributions	52,795.35
Hospital Benefits	11,358.58
Disability Benefits	4,038.00
Equipment	10,794.62
Transferred to Other Codes	83,825.00
Transferred to Deferred Obligations	23,545.00

\$1,719,740.27

ADMINISTRATION

INFORMATION AND PUBLICATIONS

The purpose of the Information and Publications program is to inform the people of North Carolina about the laws, programs, and services available to them through the Department of Labor, and to plan, prepare and issue the various departmental publications necessary for accomplishing that purpose. Operating within the Division of Administration, the Information and Publications section consists of one Information and Communications Specialist who has the part-time assistance of one typist-clerk.

Means employed for informing the people of the Department's activities during the past year included (1) the Department's official monthly bulletin, (2) news and feature releases issued by direct mail to news media of North Carolina (3) speech materials prepared for the Commissioner of Labor and public speeches made by the Information and Communications Specialist, (4) numerous specialized publications of the Department prepared or edited by the section, (5) constant and frequent direct communication with news media representatives, (6) the Commissioner's press conferences, and (7) extensive and constant answering of public inquiries by correspondence, telephone and personal interview.

During the latter half of fiscal 1972-73, pursuant to the Department's change of administration and the policies of the new Commissioner, an all-out effort was begun to positively alter and improve the "public image" of the Department of Labor. In an inclusive sense, this effort involved all of the Department's program heads and employees; but the role of the Information and Publications Section in this project was to be a crucial, continuing and demanding one.

One pivotal feature of this effort consisted of a radical change in the format and content of the Department's official monthly bulletin, "North Carolina Labor and Industry." For some 40 years since its origin in 1933, this bulletin had been little other than a vehicle for publication of the Department's monthly statistical tables on nonfarm employment, earnings, hours, and building construction, with minimal news and feature content about the laws, programs and services of the Department. Upon the recommendation of the Information and Communications Specialist, and with the concurrence of the Commissioner and the Department's staff of program heads, it was decided to issue the Department's statistical matter and commentary as a new and separate publication called "Trends in Employment, Hours and Earnings," and to expand the news, feature, and photographic

content of the "North Carolina Labor and Industry" bulletin from one page per month to six pages per month. By May, 1973, this transition had been successfully completed, and the two publications were being issued separately to a rapidly expanding list of subscribers. Public reception of the "new look" and expanded and diversified content of the "Labor and Industry" bulletin has been favorable.

With addition of new duties of an administrative character such as serving on the Department's Budget Planning Committee, a five-fold increase in work required to produce the monthly bulletin, rendering extensive editorial and photographic assistance to the Department's newly forming OSHA Division, a quadrupling of the Department's news media mailing list to include all newspaper, radio and television outlets in North Carolina, conducting a many-faceted campaign to inform the public of several major changes in the State Labor Laws, and a large increase in the volume of correspondence and telephone communication concerning the Labor Laws, the Information and Communications Specialist has been hard pressed to stay abreast of the volume and variety of assignments and duties during the last half of the 1972-73 fiscal year. However, it is believed that the assistance of a capable, full-time Stenographer II, provision of a private office, and better organization of work routines and procedures, will enable one Information and Communications employee to perform satisfactorily the expanded functions of this section.

Total expenditures of the Information and Publications section during fiscal 1972-73 were not stated as separate items in the Administrative Division's budget for that year, but are estimated by the Controller to have amounted to \$37,806.

STATE LABOR LAWS AND SERVICES

(Formerly Division of
Standards and Inspections)

The primary purpose of the State Labor Laws and Services Division is to make the necessary inspections to see that all laws, standards, and rules and regulations concerning the safety and well being of labor are promptly and efficiently complied with. The main objective during the year 1972-73 was to make inspections under contract with the U. S. Department of Labor, applying federal occupational safety and health standards promulgated under the Williams-Steiger Occupational Safety and Health Act of 1970. The reason for this program was that the Federal Act pre-empted the North Carolina Department of Labor Safety and Health Standards as of December 28, 1972. It became necessary for this division to operate under federal contract until such time as federal guidelines could be met to qualify the North Carolina Department of Labor to begin administering a new North Carolina Occupational Safety and Health Act effective July 1, 1973.

The enforcement of the North Carolina Minimum Wage, Maximum Hour and Child Labor Laws held a secondary position in the goals and objectives of this division during the past year. Due to the additional responsibilities concerning OSHA placed on the division under a previously existing budget and manpower allocation, fewer inspections were made with regard to the Maximum Hour, Minimum Wage and Child Labor Laws. At the beginning of the year a total of 34 inspectors were assigned to the division and the number increased to 41 by the end of the year. As of July 1, 1972, ten inspectors had received federal training and were engaged in federal OSHA inspections. By June 30, 1973, a total of 32 inspectors were federally trained and committed to the contract with the U. S. Department of Labor. This increase in federally oriented activities is indicative of the efforts made within the division to retain state authority over safety and health matters affecting employers and employees of the state.

I am attaching a schedule of non-OSHA activity which reflects a total of 7,143 inspections covering 303,272 employees. The division also investigated 313 complaints during the year. A total of 5,705 violations were found primarily regarding the Maximum Hour and Child Labor Laws and full compliance was secured on 5,872 of those violations cited. The above number of violations also included some safety and health violations reported during the first half of the year prior to the North Carolina Safety and Health Standards being pre-empted by the Federal OSHA Act as of December 28, 1972.

A breakdown of inspection activity under the 7(c)(1) Contract with the U. S. Department of Labor is also attached, indicating a total of 761 inspections and 217 followup inspections made from January 1 through June 30, 1973, in general industry. Citations were issued in 731 instances where 4,259 violations were involved. Prior to that time the contract had involved inspections only in certain target industries established by the Federal Government and there is no breakdown on the number of inspections made during the July 1, 1972, through December 31, 1972, period. The attached report indicates a total of 724 inspections and 303 followup were made between October 1, 1971, and December 31, 1972. As stated above, only ten inspectors were involved in the target industry inspections during this period.

A full staff of field inspectors was used to the fullest extent throughout the year in answering requests from employers and employes for technical assistance and guidance in complying with the Federal Occupational Safety and Health Standards. This activity also included educational and training sessions in cooperation with the Community College Division of the North Carolina State Board of Education. In conclusion, the goals and objectives of this division have certainly been fulfilled during the past year in that we have met all the requirements of the Federal Government to qualify for continuing to administer safety and health regulations in North Carolina. Our new OSHA Division was ready to become fully operational as of July 1, 1973.

Although the previous goals and objectives established over the past years with regard to administration of the North Carolina Maximum Hour, Minimum Wage and Child Labor Laws had to be somewhat adjusted because of the pressing needs of OSHA, I feel that this may have happened at a most opportune time. The Maximum Hour Law had been amended by the State Legislature over the past years and applied to fewer employees than ever before. Likewise, the North Carolina Minimum Wage Law set a minimum of \$1.60 per hour effective July 1, 1972, and was easier to administer than ever before because it established the same minimum as the Federal Wage-Hour Law. The 1973 Legislature completely rewrote the Maximum Hour Law, increasing its coverage and adding a new overtime requirement after 50 hours per week. The minimum wage was increased above the Federal minimum to \$1.80 per hour effective September 2, 1973. Two major changes also were made in the North Carolina Child Labor Law. These amendments have increased the responsibilities of the division, which at the present time is authorized a total of nine inspectors since the transfer of 26 inspectors to the new OSHA Division, as of July 1, 1973.

NON-OSHA INSPECTION ACTIVITY

1972-1973

	<u>NO. OF INSPECTIONS</u>	<u>NO. OF EMPLOYEES</u>	<u>COMPLAINT INVESTIGATION</u>	<u>COMPLIANCE SECURED</u>	<u>VIOLATIONS FOUND</u>
Jul	1044	59120	39	686	1325
Aug	965	53143	36	1485	936
Sep	420	19247	21	862	459
Oct	921	45372	34	659	1000
Nov	758	38246	24	495	909
Dec	434	26068	31	229	366
Jan	380	16682	17	24	39
Feb	226	6841	20	1086	399
Mar	581	13952	27	103	92
Apr	493	7528	10	97	81
May	483	10025	30	99	41
Jun	438	7048	24	47	58
GRAND TOTALS					
	7143	303272	313	5872	5705

BOILER AND PRESSURE VESSEL INSPECTIONS

Objective

This Department provides inspection services for the construction, installation and operation of boilers and pressure vessels as required by General Statute 95-64 and General Statute 96-64.1. The ultimate goal of this Department is to provide safety for the public from the hazards of an unsafe boiler or pressure vessel.

Means to Achieve Purpose

Safety of boilers and pressure vessels begins with inspection in the manufacturer's shop during construction. We provide this service to manufacturers located in North Carolina that build or fabricate boilers and pressure vessels in conformance with requirements of the American Society of Mechanical Engineers Boiler and Pressure Vessel Code. This is a nationally recognized standard and has been adopted by most of the other states and the Canadian Provinces.

Our inspectors make inspections immediately after a boiler or pressure vessel has been installed and at regularly scheduled intervals thereafter, semi-annually or biennially, as required by the General Statutes.

Certificates of operation are issued for those boilers and pressure vessels found to conform to the requirements of the North Carolina Boiler Inspection Law, Rules and Regulations. No certificate of operation may be issued until all safety requirements are met.

A complete record of each boiler and pressure vessel is maintained showing size, type, dimensions, age, condition, date of last inspection and location.

In addition to the inspection reports processed for our field inspectors, we process and issue certificates for 194 insurance company inspectors employed by insurance companies authorized to provide insurance coverage for boilers and pressure vessels in North Carolina. Their inspections account for approximately one-half of the total 70,000 vessels currently in our active file.

Performance Measures

At the present time, our inspectors are making 15,000 boiler and pressure vessel inspections per year in manufacturing plants, commercial establishments and places of public assembly.

Trends and Problems

In recent years our State has experienced a tremendous industrial growth. The demand for our inspection service has also increased along with this rapid industrial expansion. We find it very difficult to meet these demands with the present inspection staff.

Number of Employees and Budget

The Boiler Bureau is comprised of a Chief Inspector (position now vacant), nine deputy inspectors, and an office staff of seven employees — a total of seventeen, all of whom are full-time employees. The total expenditures from July 1, 1972, through June 30, 1973 were \$220,723.13.

ELEVATOR INSPECTIONS

The purpose of our Elevator Inspections program is to assure the safety of the public, which constantly uses the many thousands of elevators, escalators, dumbwaiters, carnival amusement devices, ski lifts, aerial passenger tramways, moving walks and similar equipment all over the State. All of this equipment is subject to our safety codes and must be inspected with reasonable regularity in order to provide safe conditions for the people.

The Elevator Inspections Division is responsible both for testing and inspecting all of these devices, and for approving plans and specifications for all new installations in the State.

New installations and major alterations of equipment, including 335 units, were made in North Carolina during fiscal 1972-73 at a cost of \$8,773,800, an increase over the preceding year. The average cost of elevators was \$24,925 per unit.

Increasing use is being made of "solid state" control units on elevators. Some companies are making a big effort to employ only "solid state" components in their control units.

When sales of new units increase, our available time for inspection of existing units decreases, due to the time spent in travelling to inspect new units and the time spent making these inspections.

At the present time we have five field inspectors. A typical inspection itinerary for one of these inspectors would be: an inspection one day in Cullowhee, the next day in Boone, and the following day in Asheville. A similar itinerary in the eastern part of the State would be: Goldsboro, Wilson and Fayetteville.

This means that our staff is stretched too thin and that an excessive amount of time is having to be spent driving from one inspection site to the next. At the present time, we are approximately four years behind in our regular inspections of existing equipment. With proper staff, we could have more production time on inspections and less time behind the steering wheel.

For proper inspection of the elevators in operation in North Carolina now, we desperately need four additional field inspectors and one additional secretary. This does not include

the additional help which we need for inspection of amusement devices and aerial passenger tramways. We also need to spend more time with architects, elevator contractors, and with the field inspectors.

An Assistant Director of the Elevator Inspection Division has recently been appointed. This will give some relief to the Director with regard to our large burden of administrative work.

Although we are in great need of additional field inspectors, we are continuing to make as many inspections of amusement devices as possible. A total of 3,053 such inspections were made during fiscal 1972-73. As a result of this precautionary safety work, we have not had a single fatal or serious accident reported on this equipment during the year caused by equipment malfunction.

Each year we send two men to the James Strates Shows winter headquarters in Florida to inspect their rides in the disassembled position. This amusement company plays at the annual fair in Winston-Salem and at the North Carolina State Fair in Raleigh, which is one of the largest fairs on the entire eastern seaboard. Last year, more than two million ride tickets were sold at these fairs.

North Carolina is one of twelve states in which the Elevator Inspection Division is responsible for the inspection of these amusement devices. There is no uniform national code governing these devices, but a move has been started for creating one. In the meantime, the State of Colorado is in the process of adopting our North Carolina Code.

Use of aerial passenger tramways is on the increase in our resort areas. We are in the process of having one installed that is self-propelled and has a capacity of 25 people. This equipment is being installed in one of our largest ski resort areas. The cable cars will travel a distance of more than one mile, and there will be four such cable cars in operation.

We have not had any serious accidents reported on any aerial passenger tramway in North Carolina due to malfunction of equipment.

We work hard to stay abreast of technical changes in equipment which we must inspect. The best means of doing so is attending schools and seminars to learn about the new models and methods of operation of the equipment which will be installed in the State, and to make certain that this equipment complies with our Code.

Each year we send two of our field inspectors to New York to attend a special school on aerial passenger tramways.

We now use a national code for elevators and aerial passenger tramways, but our amusement device code is a State Code.

During fiscal 1972-73, the Elevator Inspection Division operated with an average of 7 full-time employees at a total cost for the year of \$93,778.

ANNUAL REPORT OF ELEVATOR INSPECTIONS

July 1, 1972 - June 30, 1973

Approval of Plans & Specifications for New Installations.....	335
Approval of Plans & Specifications for Major Repairs & Alterations for Existing Installations.....	17
Tests & Inspections of New Elevator Installations.....	336
Tests & Inspections of New Dumbwaiters.....	19
Certificates Issued for New Installations.....	234
Regular Inspections of Existing Elevators.....	802
Elevators Condemned for Further Use.....	5
Compliance Inspections.....	628
Elevator Accidents Investigated.....	12
Conferences With Concerns & Architects by Field Inspectors.....	285
Inspections of Escalators.....	17
Preliminary Inspections.....	293
Dumbwaiter Inspections.....	60
Certificates Reissued for Existing Elevators.....	328
Elevators Discarded or Being Replaced as a Result of Inspection, Recommendations & Condemnation.....	11
Cost Estimated by Elevator Concerns for New Equipment.....	\$8,773,802.00

AERIAL PASSENGER TRAMWAYS

Test & Inspection of Chair Lifts.....	9
Inspection of Chair Lifts.....	42
Inspection of T-Bars.....	6
Inspection of J-Bars.....	4
Inspection of Gondolas.....	3
Inspection of Rope Tows.....	14
Inspection of Incline Railroads.....	2

SPECIAL EQUIPMENT

Inspection of Automatic Stackers & Special Lifts.....	8
Inspection of workmen's Hoist.....	18
Inspection of Manlifts.....	6

AMUSEMENT DEVICES

Amusement Device Inspections.....	3,053
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MINE AND QUARRY INSPECTIONS

Purpose

The Mine and Quarry Inspection Division is charged with the responsibility for administering the General Statutes pertaining to mining and quarrying and also the administration of health and safety standards as they apply to the minerals industry. The primary purpose of the Division is promoting the health, safety, and general well-being of the employees in the minerals industry. In addition to these duties and responsibilities, the mining laws require that the Division accumulate statistical information pertaining to the minerals industry regarding the total value of annual production, the tonnage of annual production, and accidents in the minerals industry.

Program Methods

The Division attempted to accomplish its purpose through a planned program of inspections, reinspections, technical advice and assistance, safety directives, accident analysis and investigations, and assisting the minerals industry in establishing, improving, and maintaining effective safety programs. The responsibility for accumulation of mineral commodity statistical information was accomplished through the submission of an annual questionnaire by the operators of North Carolina's mines and quarries to the Division. Data accumulated shows that employment in the minerals industry has remained fairly stable, accidents have declined in both number and severity, and the value of minerals produced annually has grown to almost \$100,000,000.

Special Projects

Through furnishing technical assistance and advice, the Division assisted many mine, quarry, and industrial operators in bringing their operations into compliance with health and safety standards so that they qualified for workmen's compensation insurance through the Assigned Risk Program of the Compensation Rating and Inspection Bureau of North Carolina.

For a portion of the year in the previous years, the Division was assigned the responsibility to cause health hazards found in all of North Carolina's industry to be eliminated.

This work was accomplished in close cooperation with the Occupational Health Section of the State Board of Health, and many hazards to workers' health were eliminated. The Division's health activities in industries other than mines and quarries diminished as the provisions of the Occupational Safety and Health Act (OSHA) were implemented.

In August and September 1972, all three of the Division's Mine and Quarry Inspectors attended a State-sponsored OSHA training school, and in December, two mine and quarry inspectors were "borrowed" and received Federal OSHA training. These two inspectors devoted most of their time to OSHA inspections for the remainder of the fiscal year. This caused a marked overall reduction in mine and quarry inspections and safety promotional activities.

Performance

The Division's performance and success in accomplishing the desired results is best reflected by the steady reduction in the number and severity of accidents in North Carolina's mines and quarries. The trend toward fewer and less severe disabling injuries and fatalities is encouraging. However, it is readily apparent that employment in the minerals industry continues to be hazardous, and both industry and government must take more positive action so as to reduce employee exposure to hazardous work places and conditions and prevent unsafe acts.

Trends and Future Needs

The passage of the Occupational Safety and Health Act of North Carolina by the General Assembly, which applies to industrial establishments but does not apply to mines and quarries and the minerals industry, clearly points to the need for similar State legislation which could afford similar protection for the workers in this industry. Also, the agreement which the North Carolina Department of Labor has signed with the U. S. Department of Labor under the provisions of the Occupational Safety and Health Act of 1970 (OSHA) makes it highly desirable that a similar agreement be sought and obtained from the U. S. Department of the Interior as provided by the Federal Metal and Nonmetallic Mine Safety Act. Enabling legislation and a general upgrading of the Division's standards, enforcement provisions, and personnel will be necessary before such an agreement can be reached and adequate

protection provided for workers in North Carolina's minerals industry. A draft bill and budget which would accomplish this has been prepared for submission to the next session of the General Assembly.

Employees and Budget

The Mine and Quarry Inspection Division normally operated with one supervisor, three mine and quarry inspectors, and one stenographer. As stated previously, two mine and quarry inspectors were assigned to OSHA on general industry inspections during much of the past fiscal year, leaving only one inspector working full-time in the minerals industry. The Division had no budget, as such, but drew from the general budget of the Division of Standards and Inspections which will be found elsewhere in this report.

Injury Report of Mine and Quarry Operations, as Reported by Industry

for the Calendar Year 1972

	Minor Injuries: No Time Lost	Lost Time Injuries	Fatal Injuries	Total Injuries	Number Days Lost
MINES:					
Clays--(Includes Kaolin and Halloysite)	3	1	0	4	244
Feldspar	3	4	0	7	166
Mica	14	6	0	20	495
Quartz	1	0	0	1	0
Talc & Pyrophyllite	29	7	0	36	55
Undistributed	146	25	0	171	4,947
	196	43	0	239	5,907
QUARRIES:					
Stone Products	301	52	1	354	7,606
PITS:					
Sand and Gravel	45	14	0	59	473
Total	542	109	1	652	13,986

Inspections in Mines, Quarries, and Sand and Gravel Pits

July 1, 1972 - June 30, 1973

Number of Inspections	Number of Reinspections	Number of Establishments Found in Violation
335	141	301

Violations and Compliances in Mines, Quarries, and Sand and Gravel Pits

July 1, 1972 - June 30, 1973

Industry	Number Establishments Found In Violation	State Labor Laws	Safety & Health Regulations	Total
Mines, Quarries, Sand and Gravel Pits	301	Violations 6 *Compliances 7	1242 1487	1248 1494

*Compliances exceed violations because of elimination of hazards found in previous fiscal year.

MINE & QUARRY INSPECTION DIVISION

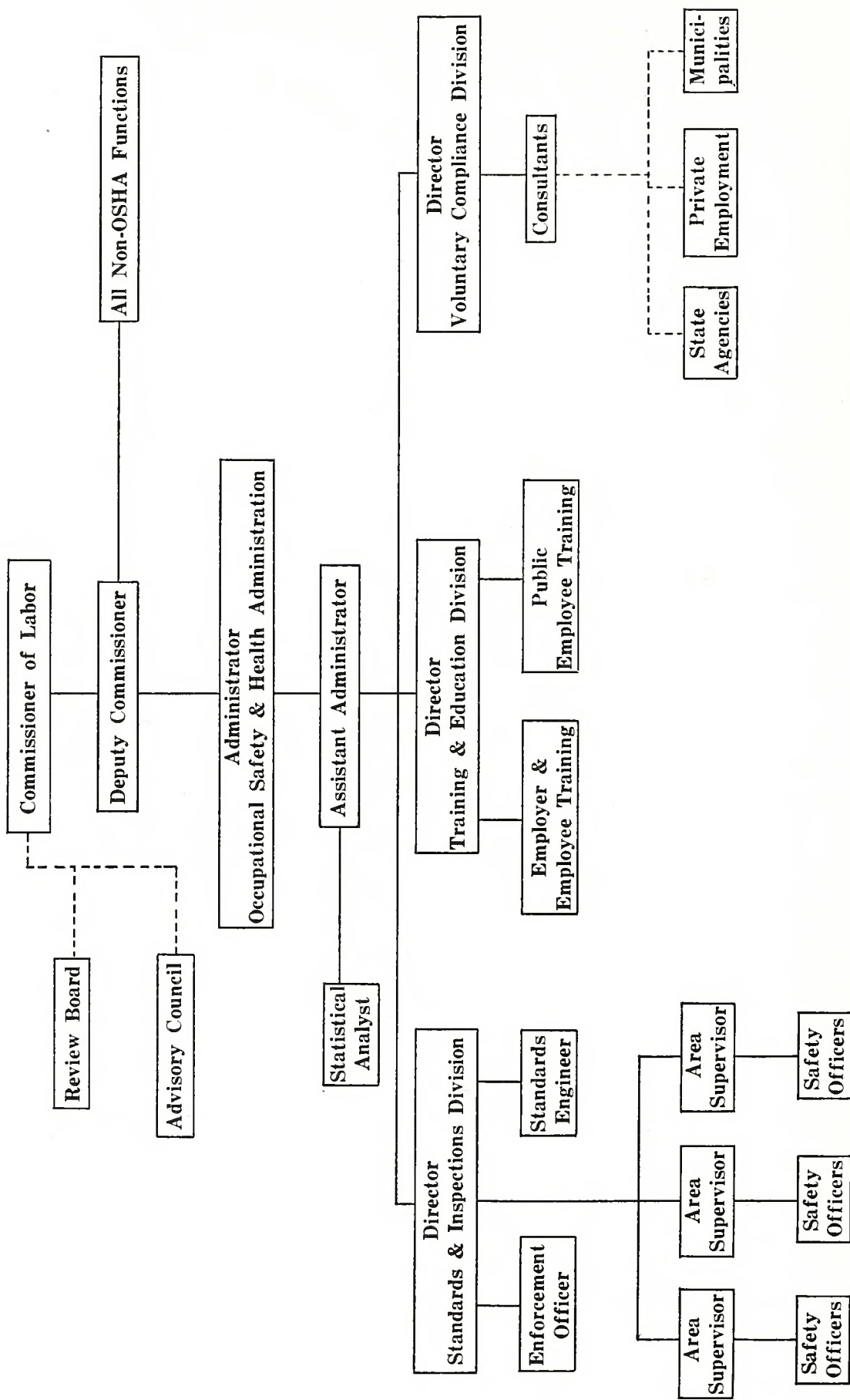
ANNUAL REPORT OF MINES, QUARRIES AND PITS FOR CALENDAR YEAR 1972

No. of Mines Quarries & Pits Reporting	Mineral	Number Employed	Payroll Executives and Office Personnel	Payroll Other Employees	Quantity (Short Tons unless Otherwise Indicated)	Value
4	Clays (Includes Kaolin & Halloysite; Brick Clay Excepted)	43	\$ 22,800	\$ 206,000	205,152	\$ 608,168
29	Feldspar (Long Tons)	210	244,000	1,076,000	626,556	2,627,974
11	Mica	160	158,464	918,632	224,173	3,451,340
8	Quartz	14	20,000	34,384	38,739	186,648
52	Sand & Gravel	467	469,140	2,739,535	6,530,686	9,695,875
* 1	Stone Products & Sand	93	102,700	465,200	3,096,312	1,260,567
143	State Highway Commission					
10	Stone Products	2,499	3,172,556	14,959,711	38,196,554	67,203,093
16	Talc & Pyrophyllite	125	233,020	654,959	86,901	1,931,735
273	Undistributed	891	1,875,067	5,878,303	2,253,286	10,323,835
		4,502	\$ 6,297,747	\$ 26,132,724	51,258,359	\$ 97,289,235

*Represents approximately 250 Sand Pits operated by State Highway Commission.

**Includes Andalusite, Asbestos, Gems, Gold, Lime, Magnetite, Olivine, Phosphate, Sericite, and Spodumene. Statistics cannot be shown separately without revealing production values of individual concerns.

ORGANIZATION CHART: OFFICE OF OCCUPATIONAL SAFETY AND HEALTH, NORTH CAROLINA DEPARTMENT OF LABOR



OCCUPATIONAL SAFETY AND HEALTH

STATE OSHA ADMINISTRATION

North Carolina is one of four states that have qualified fully to administer the Occupational Safety and Health Act. Passage of the enabling legislation (SB-342) by the North Carolina General Assembly and ratification on May 1, 1973, was the final qualifying step.

With the State Plan approved by the U. S. Department of Labor, Federal matching funds allocated, State appropriations authorized, and State OSHA legislation enacted, the North Carolina Department of Labor is now completing its OSHA Organization. State administration begins on July 1, 1973. At that time the North Carolina Department of Labor will do in Raleigh what is now done by the Federal Government in Charlotte, Atlanta and Washington.

North Carolina has more employees than any of the other states now administering OSHA. As a matter of fact, we have twice as many employees as South Carolina, the next most industrialized state. The States of Washington and Utah have very few employees. Since North Carolina is the most industrialized state administering OSHA, we will be closely watched by the Federal Government and other states.

The Federal Government will monitor the administration of OSHA by North Carolina for three years. After three years, North Carolina can continue administering OSHA if State administration is "equally as effective as" Federal administration.

Although we will strive to make our administration of OSHA "equally as effective as" that of the Federal Government, our principal concern is meeting the mandate of the North Carolina General Assembly. The mandate for State administration was demonstrated clearly by the 100% Senate affirmative vote (48-0) and by only five negative votes (119-5) in the House. Our efforts will be to justify the General Assembly's confidence and the confidence of all North Carolinians. No major piece of legislation affecting all employers and employees in North Carolina has passed the General Assembly in recent years with so few negative votes.

State OSHA Bill

The State OSHA Bill is unique in that it includes Training and Education and Consulting Services. While preparing the State OSHA Developmental Plan, it became apparent that North Carolina's low disabling injury frequency rate (8.2, versus 15.4 nationally) resulted mainly from the voluntary compliance of North Carolina industries with State and consensus safety and health standards. The general concern of North Carolina employers for the well-being of their employees manifested itself in good employee relations and safety.

The North Carolina Department of Labor plans to continue this effective method for achieving even lower injury frequency rates. It is a well-known fact that effective, long-range safety programs will not result from enforcement alone. The safety attitude of employers and employees cannot be legislated. It must be developed through education and training. Most employee injuries continue to result from unsafe acts and not from conditions. Most OSHA Standards Violations concern conditions, and even full compliance will not drastically reduce injury frequency rates. Our OSHA Division's Training and Education and Voluntary Compliance (Consulting) Sections will concern themselves with employer and employee attitudes. This effort, in the long run, should achieve more toward accident prevention than the enforcement activities.

State OSHA Organization

The attached organizational chart shows a diagram of the North Carolina Department of Labor's OSHA Organization. The key point concerning this organization is the three major divisions: Training and Education, Voluntary Compliance, and Standards and Inspectons.

OSHA Division Staff

The staff includes Commissioner, Billy Creel, and Deputy Commissioner, Bob Dunnagan, who will devote 50% of his time to OSHA. The full-time staff members include Ray Boylston, Administrator, Weldon Denny, Assistant Administrator, and the Division Directors.

Also included in the staff are administrative personnel who will compile all OSHA compliance statistics.

Standards and Inspections Division

This Division, which is responsible for all enforcement activities, includes a Division Director, two staff members and three Area Supervisors. The staff members are the Standards Engineer and the Enforcement Officer. The Standards Engineer will keep all OSHA personnel and employers informed of pertinent standards information. He also will coordinate all requests for standards variances. The Enforcement Officer will review all OSHA inspection reports to insure uniform and accurate administration of alleged violations and penalties.

Each of the Area Supervisors will supervise approximately 13 OSHA Safety Officers located in three State areas. There will be Eastern, Piedmont, and Western areas. Two of the 13 Safety Officers in each area will be Construction Safety Officers.

Safety Officers will work out of their homes and inspect employers assigned by their Area Supervisor. Three to five inspections will be made by each Safety Officer each week, depending on the size of the establishment.

Training and Education Division

All State OSHA Training Activities will be coordinated by this Division. The Director will work with universities, Community colleges, technical institutes, trade associations, employers and employees to prepare and administer OSHA training.

Although only the Director is assigned to the Training and Education Division at present, we plan to add additional personnel in the future.

Voluntary Compliance Division

The Director of this Division has six Consultants assigned to him. They will consult with employers, public agencies, and State agencies to achieve voluntary compliance with OSHA standards.

The Consultants will work primarily with trade associations and large groups to maximize their coverage. However, where unique and unusual problems exist, individual employers will be contacted.

This consulting activity is unique, in that the Federal OSHA act does not provide consulting services. Federal legislation is now being considered to provide consulting services as provided by

the North Carolina OSHA Bill. Federal Compliance Officers visiting employers' work locations at the request of the employers, must, by law, report any alleged violations they observe. These violations may result in proposed penalties. North Carolina employers will not have this problem when requesting consultive visits.

Industrial Hygienists

The North Carolina OSHA Bill provides emphasis on occupational health as well as safety. We must insure that the health aspects of the employees' work environment meet the OSHA Standards.

Five Industrial Hygienists from the Occupational Health Section of the State Board of Health will be assigned to full-time OSHA inspections. These Industrial Hygienists will perform inspections concerning potential health hazards identified by the State OSHA Safety Officers. All Industrial Hygiene inspection reports are forwarded to the OSHA Division and become a part of the Safety Officer's inspection report.

A ratio of one Industrial Hygienist to eight Safety Officers will be maintained to insure proper emphasis on occupational health.

N. C. OSHA Bill Provided Basic Safety Approach

It is "back to the basics" with the North Carolina OSHA Bill. We have heard about the three basic "E's" of Safety (ENGINEERING, EDUCATION, ENFORCEMENT) for the past 20 years. These ingredients are vital to every safety program, whether it be for a shift, area, division, plant, company or even a state.

We must provide the best safety engineering techniques by guarding machines, reducing noise, controlling fumes, etc. Once proper engineering controls are provided, employees must be educated to protect themselves and develop a proper safety attitude. Following engineering and educational efforts, employers must demonstrate their safety convictions by enforcing safety rules and regulations.

Our North Carolina OSHA Organization includes the three basic E's of safety. The engineering aspects are handled by the State OSHA Consultants, who utilize their safety engineering know-how to assist employers in achieving voluntary compliance.

The educational aspects are handled by the Training and Education Division and, finally enforcement by the Standards and Inspection Division. Thus, our OSHA Organization demonstrates that the basic safety approach does not change. It emphasizes that the safety approach we have stressed for so many years can still get the job done.

APPRENTICESHIP TRAINING

The Apprenticeship Division provides services to the State of North Carolina in two training areas:

1. Since 1939 under the North Carolina Voluntary Apprenticeship Act, the Division has encouraged young people to become highly skilled workers by taking advantage of training opportunities provided by On-The-Job and Apprenticeship Programs established in several thousand shops and factories, and other businesses in the State.

2. The Division is also the Approval Agency for the Veterans Administration in certifying apprenticeship and other On-The-Job training programs under the provision of Public Law 90-77 (G.I. Bill).

In fulfilling its responsibilities in these two areas, the Apprenticeship Division has an Advisory Council appointed by the Commissioner of Labor. This Council is composed of an equal representation of employers and employees. The Commissioner of Labor serves as Chairman of the Council and the Supervisor of Trade and Industrial Education serves as Vice-Chairman and Ex Officio member without a vote. Cooperation throughout the State with the Veteran Service officers, Employment Security Commission Offices, and the Community Colleges System is essential for productivity. Twelve Apprenticeship Representatives located throughout the State provide technical assistance in developing programs and registering these programs, Apprentices and trainees. These Representatives also monitor these programs and see that these participants receive certification upon completion of the training program. They are assisted by a Director, an Assistant Director, and a clerical staff of 6 in the Raleigh Office.

The promotional activity includes distribution of information leaflets to high schools on career day, community colleges, technical schools, and the general public. Personnel of the Division are encouraged to speak to various groups on services of the Division. The Division continues to serve as the coordination agency and as one of the sponsors of the State Apprentice Bricklaying Contest held each year at the State Fair.

With the increase in returning veterans, the program for the last few years has been somewhat overburdened with veterans assistance, not allowing proper balance for the apprenticeship work. A slowdown should

be felt in this next fiscal year, helping to allow more promotion to the apprenticeship program which is so needed to match the increased demand for skilled labor in the State as a result of industrial expansion.

Active Registered Apprenticeship Programs	1,573
Active Registered On-The-Job Training Programs	961
Active Registered Apprenticeships	10,067
Active Registered Trainees	3,299
Average Number Full Time Employees	20
Appropriation - State	\$207,184.00
Veterans Administration Contract	\$147,012.64

STATISTICS AND RESEARCH

During the 1972-73 fiscal year there were 16 employees engaged in carrying out the statistical work of the division. This entailed collecting of raw data through solicitations, editing of these data and presenting data for administrative purposes as well as for use by the general public. Involved along with this was maintaining addressograph files for adding forms, bulletins, and letters, keypunching and tabulating data, off-set printing of forms and releases of news reports and tables of data, and maintaining of office records.

Approximately 5,000 business firms are in a sample that contribute monthly their employment, payroll and hours worked data on a shuttle-type form, from which we develop monthly total non-agricultural employment, average hourly earnings and average weekly hours on a statewide basis and for two Standard Metropolitan Areas by major and sub-industry breakdown. For two other Standard Metropolitan Areas, total monthly manufacturing employment, average hourly earnings and average weekly hours are developed in the same detail. The quality of these estimates depends largely upon maintaining a stratified sample by size, by geographic distribution and by industry group according to the Standard Industrial Classification Manual prepared by the Federal Office of Management and the Budget. Emphasis has been placed upon improving the quality of reporting by our respondents, so that our estimates would be as accurate as possible. The Current Employment Statistics program is a joint program with the Federal Bureau of Labor Statistics and estimates developed in this program are incorporated with those from other states to become the National estimates. These data are prime economic indicators for the State as well as the nation. Businesses as well as government use them in long range planning. These reports show that nonfarm employment in the State has risen from 1,911,900 in June, 1972, to 1,952,100 in June, 1973, for a net increase of 40,200 over the year.

When the Congress of the United States passed the Occupational Safety and Health Act of 1970, the Division of Statistics was assigned the responsibility of developing an effective program in collecting and compiling accident and health statistics under the guidelines of the Act. After a survey was made to determine what data were available and the state's needs under an effective program to augment our safety program, a stratified sample of 15,432 firms was selected on a size, geographical and industry-wide basis for collecting data for accident experience shown by these firms for the calendar year of 1972. In July of 1973, work was begun on verifying local addresses for these firms for use in mailing questionnaires. Preparation was made for printing questionnaire forms, instructions for completing questionnaires and

letters of solicitation were prepared, and all were addressed and assembled for mailing according to pre-designated time schedule.

Simultaneously with this activity was the initiating of computer programming through the Central Data Processing Section of the Department of Administration. Programs were developed for addressing questionnaires, screening of address and data files, and for preparing reports needed by the Department of Labor. Included in the sample of 15,432 establishments were those to be included in the national sample. Uniformity throughout was mandatory in our sample, as part of the State sample data was to be incorporated with that from the other states for the national program. The national part of the state sample is to be submitted to Washington on computer tape in a standard format.

Approximately 90% of the 15,432 questionnaires that were mailed this year have been returned, edited and the data transcribed onto IBM punch cards and entered on magnetic computer tape. Early in the next fiscal year data will be tabulated and analyzed, and tables will be prepared for distribution showing incident rates for major and sub-industrial classification groups. These data will be a source of information for showing where more emphasis needs to be given in the Department's program of safety inspections and promotion. This program is funded in part by the Federal Bureau of Labor Statistics, which also gives technical assistance through memoranda and personal contact with the Division by regional personnel.

The Division of Statistics continued to issue the daily licenses of new agents for the North Carolina Department of Insurance twice each week and prepared the annual renewals in March. During the year better than 100,000 licenses were issued covering the renewals and new licenses. This program is carried out on our data processing equipment.

Monthly reports of an administrative nature were prepared for the Department covering the activities of the employees of the Standards and Inspections Division from daily reports submitted by these employees. This report shows the number of inspections, distribution of time, number of employees covered in inspections, complaints investigated and number of violations found and compliances secured. Summary reports are made monthly of the activities of each inspector.

Data are received each month from the Building Inspectors of 36 cities of 10,000 or more population. These data are tabulated

each month and are indicators of what is happening in the building trades. Contrary to what is happening nationally, North Carolina continued during the past fiscal year to build at an accelerated rate.

Information is tabulated monthly regarding the number of children working in industry by sex, age groups, by county and statewide. Report of these data is also sent to the national office monthly, where it becomes a part of the national data. These data are an indication of the opportunities for employment of the youth of our State and nation and an indication of their acceptance by employing agencies.

Along with the revision of the format of the Department's Monthly Bulletin, North Carolina Labor and Industry, a new release, Trends in Employment, Hours and Earnings in North Carolina was developed to disseminate these data to the general public. Approximately 4,000 copies of this 16-page release are addressed and distributed monthly to the recipients of our North Carolina Labor and Industry bulletin.

The Division has maintained addressograph files for use in addressing forms, envelopes and bulletins for the Department and has done the off-set printing of forms, form letters, tables of data and news releases for the Department.

The Division of Statistics operated with an average of 16 full-time employees during the 1972-73 fiscal year and recorded total expenditures of \$141,036.77.

CONCILIATION AND ARBITRATION

The purpose of the Division of Conciliation and Arbitration is to assist labor and management to resolve peacefully their differences, and this objective is usually accomplished by the following methods:

Conciliation

The primary function of the full-time professional conciliation staff is to offer neutral third party assistance to labor and management at the bargaining table during contract negotiations when it is apparent that agreement is unlikely to be reached and a work stoppage possibly occur without such assistance.

Knowledge of pending contract negotiations is obtained by the Service through the receipt of thirty-day notice given by the initiating party desiring to amend or terminate an existing contract under the requirements of the Labor-Management Relations Act of 1947 and by receipt of certification notices from the National Labor Relations Board. Upon receipt of such notice, contact is made with both labor and management and the services of the Conciliation Division are offered.

Other functions of the Division consist of responding to requests for assistance in settling grievances involving individuals and small groups of workers; resolving representation disputes, when mutually agreed to by the parties involved, by checking signed authorization cards presented by a union against list of employees presented by the employer; and furnishing information upon request pertaining to conciliation, arbitration and related subjects. The Division also maintains statistical records of labor-management disputes in North Carolina.

Arbitration

Under the North Carolina Voluntary Arbitration Act, the Commissioner of Labor maintains a list of qualified, public-spirited citizens to serve as arbitrators in the field of industrial relations. The present list consists of 17 arbitrators who are men of wide experience and expertise in their

field. Upon joint request, the Division furnishes a list of several arbitrators, with final selection being made by the parties to a dispute, or, if requested, will name the arbitrator selected to hear a specific case.

Cases and Strikes

During the period of July 1, 1972, through June 30, 1973, 240 new cases came to the attention of the Conciliation Division, with a total of 91 open cases being carried over from the previous fiscal year. Of these cases, 266 were closed out during 1972-1973, with 65 open cases being carried over beyond June 30, 1973. The total number of workers involved in these cases is 49,959. During the calendar year 1972 there were 52 strikes in North Carolina, with 14,450 workers idle and 62,070 man-days idle with a .24 percent of the national total, as compared with a 1971 figure of 48 strikes, 27,245 workers idle and 288,055 man-days idle with a .64 percent of the national total.

Labor relations during the period July 1, 1972, through June 30, 1973, took place during a period of wage and price guidelines, resulting in some difficulties in obtaining contract settlements, with continued growing emphasis being placed by labor on fringe benefits - particularly on health and welfare, insurance and pension plans. With the uncertainty of future Federal wage and price guidelines and controls, it would be difficult to endeavor to foresee the future trends in negotiations.

In view of the increasing activity by labor organizations in the public employee sector in North Carolina, as well as the nation (the fastest growing segment of union membership in the United States), and with a bill to be considered in the forthcoming session of the General Assembly of North Carolina authorizing public employees to bargain collectively, there is a strong likelihood that the Conciliation Division will become increasingly involved in public employee disputes at some time in the near or distant future.

The Division of Conciliation and Arbitration consists of three full-time employees - Director-Conciliator, Conciliator and Secretary. Expenditures for the period July 1, 1972, through June 30, 1973, were \$46,572.90.

PRIVATE EMPLOYMENT AGENCY REGULATION

Program Title: Private Employment Agency Regulation

Purpose: To license and supervise activities of private employment agencies, in compliance with General Statutes 95-37 - 95-47. To enforce rules and regulations governing private employment agencies.

Means To Achieve Purpose:

Issuing license, following investigation as to character, ability and qualifications of applicant.

Inspecting all private employment agencies twice annually to ascertain that records and reports are maintained according to regulations.

Investigating complaints received involving private employment agencies.

Informing agency managers of North Carolina laws and regulations pertaining to this industry.

Project:

To cooperate with the North Carolina Association of Private Employment Agencies, whose goal is to attempt to professionalize the industry. This group recently announced one of their community service projects is to offer placement assistance free of charge to parolees. Penal officials and parole representatives throughout the State are being advised of the project.

Participating in training sessions for counselors and agency owners who are candidates for the coveted achievement of Certified Employment Counselor (CEC) which is the industry's symbol of professionalism. North Carolina currently has 54 CEC's with 7 applicants pending.

New division established composed of Director, two full-time field representatives, and full-time clerical assistance.

The Commissioner is organizing an Advisory Board composed of a limited number of agency owners.

Trends and Problems:

Trends: Agencies attempting to improve quality of services to applicants.

Employers are relying more on the services of agencies to secure qualified employees.

Shifting labor market due to technology.

The large majority of applicants seeking the services of private employment agencies are employed and are seeking to improve their position.

Problems: The industry's rapid expansion.

Agencies which stress quantity rather than quality placements.

Poor public image of private employment agencies.

Failure of counselors to properly inform and explain contents of contract agreement.

Unqualified applicants becoming increasingly difficult to place in employment.

Performance Measures:

(See attached activity report)

Number of Employees and Budget:

One full-time employee, with assistance from approximately 3 State Inspectors on part-time basis; part time clerical assistance from the Deputy Commissioner's secretary.

PRIVATE EMPLOYMENT AGENCY REGULATION

(Activity Report)

	<u>1971-'72</u>	<u>1972-'73</u>
Licenses Issued	162	202
Agencies Operating	140	185
General	119	160
Teacher	1	1
Domestic	20	24
Franchise Agencies	58	61
Non-Franchise Agencies	82	124
Placements:		
General and Teacher	16,304	18,788
Domestic	<u>14,052</u>	<u>12,030</u>
Total	30,356	30,818
Number of persons employed in the industry	631	779
New Agencies	26	64
Agencies Closed	22	17
Agencies Changing Names	4	6
Agencies Changing Ownership	7	11
Agencies Changing Licensees	1	2
Complaint Investigations:		
Job Orders	1	4
Recordkeeping	0	2
Advertising	4	12
Misrepresenting Job	0	11
No License (agencies operating without)		2
Ethics:		
Firms investigated thought to be private employment agencies	5	3
Fees Too High	0	6
Collection Tactics	1	7
Agency's failure to refund company's fee paid placement	0	1

